Court No. 2

Civil Misc. Writ Petition No. 1150 (M/S) of 2001.
(Old No. 48833 of 1999)

Uttar Pradesh Jal Nigam ……. Petitioner.

Vs.

The Addl. District Judge, (E.C.Act),
Dehradun and two others. …….. Respondents.

……..

Hon'ble P.C. Verma, J.

The short controversy in this petition is to be decided as to whether the rate or interest as ordered by the court below at the rate of 24% (twenty four per cent) is exorbitant or reasonable one.

The learned counsel for the petitioner submits that it is exorbitant as the rate of interest payable by the Banks on the loans etc. or on the fixed deposits is maximum 10% and he further submitted that the Apex Court in certain cases have enhanced interest but not beyond 12% Therefore, the rate of interest is just double which cannot be said to be reasonable.

The learned counsel for the respondent Sri Sanjai Kaushik submitted that the court after taking into account the facts and circumstances of the case has awarded the rate of interest which was the discretion of the court. However, the discretion is of the court to award the interest but the court below while awarding the rate of interest has not recorded any reason as to how in its opinion 24% interest was justified in the facts and circumstances of the case. Therefore, the rate of interest as awarded by the court below is reduced to 12% (twelve per cent).

No other point pressed.

With the aforesaid observation, the petition is disposed of finally.

11.03.2003 **(P.C. Verma, J.)**
P. Singh